

(Mr. BUNNING) was added as a cosponsor of S. 1324, a bill to amend the Trade Act of 1974 to establish procedures for identifying countries that deny market access for agricultural products of the United States, and for other purposes.

S. 1326

At the request of Mr. VOINOVICH, the name of the Senator from Ohio (Mr. DEWINE) was added as a cosponsor of S. 1326, a bill to establish the position of Assistant Secretary of Commerce for Manufacturing in the Department of Commerce.

S. 1333

At the request of Mr. GRASSLEY, the name of the Senator from Illinois (Mr. DURBIN) was added as a cosponsor of S. 1333, a bill to amend the Internal Revenue Code of 1986 to provide for the treatment of certain expenses of rural letter carriers.

S. 1358

At the request of Mr. AKAKA, the name of the Senator from Minnesota (Mr. DAYTON) was added as a cosponsor of S. 1358, a bill to amend chapter 23 of title 5, United States Code, to clarify the disclosure of information protected from prohibited personnel practices, require a statement in non-disclosure policies, forms, and agreements that such policies, forms, and agreements conform with certain disclosure protections, provide certain authority for the Special Counsel, and for other purposes.

S. 1360

At the request of Mr. GRAHAM of Florida, the name of the Senator from West Virginia (Mr. ROCKEFELLER) was added as a cosponsor of S. 1360, a bill to amend section 7105 of title 38, United States Code, to clarify the requirements for notices of disagreement for appellate review of Department of Veterans Affairs activities.

S. 1368

At the request of Mr. LEVIN, the names of the Senator from Rhode Island (Mr. CHAFEE) and the Senator from Delaware (Mr. CARPER) were added as cosponsors of S. 1368, a bill to authorize the President to award a gold medal on behalf of the Congress to Reverend Doctor Martin Luther King, Jr. (posthumously) and his widow Coretta Scott King in recognition of their contributions to the Nation on behalf of the civil rights movement.

S. 1370

At the request of Mr. SCHUMER, the name of the Senator from Colorado (Mr. ALLARD) was added as a cosponsor of S. 1370, a bill to amend the Fair Credit Reporting Act to provide for disclosure of credit-scoring information by creditors and consumer reporting agencies.

S. 1374

At the request of Mr. DURBIN, the names of the Senator from Louisiana (Ms. LANDRIEU), the Senator from South Dakota (Mr. JOHNSON), the Senator from Washington (Mrs. MURRAY), the Senator from Arkansas (Mr.

PRYOR), the Senator from North Carolina (Mr. EDWARDS), the Senator from North Dakota (Mr. DORGAN) and the Senator from West Virginia (Mr. ROCKEFELLER) were added as cosponsors of S. 1374, a bill to provide health care professionals with immediate relief from increased medical malpractice insurance costs and to deal with the root causes of the current medical malpractice insurance crisis.

S. CON. RES. 25

At the request of Mrs. MURRAY, her name was added as a cosponsor of S. Con. Res. 25, a concurrent resolution recognizing and honoring America's Jewish community on the occasion of its 350th anniversary, supporting the designation of an "American Jewish History Month", and for other purposes.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. JOHNSON:

S. 1379. A bill to require the Secretary of the Treasury to mint coins in commemoration of veterans who became disabled for life while serving in the Armed Forces of the United States; to the Committee on Banking, Housing and Urban Affairs.

Mr. JOHNSON. Mr. President, I rise today to introduce the American Veterans Disabled for Life Commemorative Coin Act of 2003. This bill will authorize the Secretary of the Treasury to mint a commemorative coin honoring the millions of veterans of the U.S. Armed Forces who were disabled while serving our country. Revenues from the surcharge on the coin would go to the Disabled Veterans' LIFE Memorial Foundation to help cover the costs of building the American Veterans Disabled for Life Memorial in Washington, DC.

The three-acre site for the Memorial is located on Washington Avenue at 2nd Street, SW., across from the U.S. Botanic Gardens, and in full view of the U.S. Capitol Building. Federal legislation for the Memorial, Public Law 106-348, was signed into law by President Bill Clinton on October 24, 2000. Sponsors included Senator JOHN MCCAIN, Senator Max Cleland, Congressman SAM JOHNSON, and Congressman JACK MURTHA. The National Capital Planning Commission unanimously approved the Capitol Hill location on October 10, 2001.

The mission of the Disabled Veterans' LIFE Memorial Foundation is to commemorate the selfless and continuing sacrifice of America's 2.3 million living disabled veterans, ensuring they will always be remembered; to provide all Americans with a place to express their appreciation for the men and women who came home from war bearing the scars of our great Nation's defense, and to serve as an eternal reminder of disabled veterans' honor, service, and sacrifice.

Recent events have brought about a renewed reverence and respect for the

men and women who gave so much in service of our Nation. This legislation would help bring national attention to America's disabled veterans, and would serve as a fitting tribute to their sacrifice.

The Disabled Veterans LIFE Memorial Foundation was co-founded in 1996 by the Lois Pope Life Foundation and the Disabled American Veterans. Lois Pope, one of America's leading philanthropists, is the founder and President of the Lois Pope Leaders in Furthering Education Foundation. In addition to supporting veterans programs, this organization provides awards for medical research, scholarships, and summer camp programs. Formed in 1920, the Disabled American Veterans is a non-profit organization representing America's disabled veterans, their families, and survivors.

The drive to build the Memorial, which is scheduled for completion within the next several years, is well under way, but has a long way to go. Prominent national figures including Retired Army General H. Norman Schwarzkopf, Poet Laureate Dr. Maya Angelou, and New York Giants star defensive end Michael Strahan are lending their support to this effort.

We have an obligation to assure that men and women who each day endure the cost of freedom are never forgotten. The American Veterans Disabled for Life Commemorative Coin Act of 2003 will honor these veterans and help fund the American Veterans Disabled for Life Memorial. I ask my colleagues in the Senate to join me in supporting America's disabled veterans with this important legislation.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1379

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "American Veterans Disabled for Life Commemorative Coin Act".

SEC. 2. FINDINGS.

Congress finds that—

(1) the armed forces of the United States have answered the call and served with distinction around the world - from hitting the beaches in World War II in the Pacific and Europe, to the cold and difficult terrain in Korea, the steamy jungles of Vietnam, and the desert sands of the Middle East;

(2) all Americans should commemorate those who come home having survived the ordeal of war, and solemnly honor those who made the ultimate sacrifice in giving their lives for their country;

(3) all Americans should honor the millions of living disabled veterans who carry the scars of war every day, and who have made enormous personal sacrifices defending the principles of our democracy;

(4) in 2000, Congress authorized the construction of the American Veterans Disabled for Life Memorial;

(5) the United States should pay tribute to the Nation's living disabled veterans by

minting and issuing a commemorative silver dollar coin; and

(6) the surcharge proceeds from the sale of a commemorative coin would raise valuable funding for the construction of the American Veterans Disabled for Life Memorial.

SEC. 3. COIN SPECIFICATIONS.

(a) **\$1 SILVER COINS.**—The Secretary of the Treasury (hereafter in this Act referred to as the “Secretary”) shall mint and issue not more than 500,000 \$1 coins in commemoration of disabled American veterans, each of which shall—

- (1) weigh 26.73 grams;
- (2) have a diameter of 1.500 inches; and
- (3) contain 90 percent silver and 10 percent copper.

(b) **LEGAL TENDER.**—The coins minted under this Act shall be legal tender, as provided in section 5103 of title 31, United States Code.

(c) **NUMISMATIC ITEMS.**—For purposes of section 5134 of title 31, United States Code, all coins minted under this Act shall be considered to be numismatic items.

SEC. 4. SOURCES OF BULLION.

The Secretary shall obtain silver for minting coins under this Act only from stockpiles established under the Strategic and Critical Materials Stock Piling Act.

SEC. 5. DESIGN OF COINS.

(a) **DESIGN REQUIREMENTS.**—

(1) **IN GENERAL.**—The design of the coins minted under this Act shall be emblematic of the design selected by the Disabled Veterans’ LIFE Memorial Foundation for the American Veterans Disabled for Life Memorial.

(2) **DESIGNATION AND INSCRIPTIONS.**—On each coin minted under this Act, there shall be—

- (A) a designation of the value of the coin;
- (B) an inscription of the year “2006”; and
- (C) inscriptions of the words “Liberty”, “In God We Trust”, “United States of America”, and “E Pluribus Unum”.

(b) **SELECTION.**—The design for the coins minted under this Act shall be—

(1) selected by the Secretary, after consultation with the Disabled Veterans’ LIFE Memorial Foundation and the Commission of Fine Arts; and

(2) reviewed by the Citizens Coinage Advisory Committee.

SEC. 6. ISSUANCE OF COINS.

(a) **QUALITY OF COINS.**—Coins minted under this Act shall be issued in uncirculated and proof qualities.

(b) **MINT FACILITY.**—Only 1 facility of the United States Mint may be used to strike any particular quality of the coins minted under this Act.

(c) **PERIOD FOR ISSUANCE.**—The Secretary may issue coins under this Act only during the calendar year beginning on January 1, 2006.

SEC. 7. SALE OF COINS.

(a) **SALE PRICE.**—The coins issued under this Act shall be sold by the Secretary at a price equal to the sum of—

- (1) the face value of the coins;
- (2) the surcharge provided in subsection (d) with respect to such coins; and
- (3) the cost of designing and issuing the coins (including labor, materials, dies, use of machinery, overhead expenses, marketing, and shipping).

(b) **SURCHARGES.**—All sales of coins issued under this Act shall include a surcharge of \$10 per coin.

(c) **BULK SALES.**—The Secretary shall make bulk sales of the coins issued under this Act at a reasonable discount.

(d) **PREPAID ORDERS.**—

(1) **IN GENERAL.**—The Secretary shall accept prepaid orders for the coins minted

under this Act before the issuance of such coins.

(2) **DISCOUNT.**—Sale prices with respect to prepaid orders under paragraph (1) shall be at a reasonable discount.

SEC. 8. DISTRIBUTION OF SURCHARGES.

(a) **IN GENERAL.**—Subject to section 5134(f) of title 31, United States Code, all surcharges received by the Secretary from the sale of coins issued under this Act shall be paid to the Disabled Veterans’ LIFE Memorial Foundation for the purpose of establishing an endowment to support the construction of American Veterans’ Disabled for Life Memorial in Washington, D.C.

(b) **AUDITS.**—The Comptroller General of the United States shall have the right to examine such books, records, documents, and other data of the Disabled Veterans’ LIFE Memorial Foundation as may be related to the expenditures of amounts paid under subsection (a).

SEC. 9. FINANCIAL ASSURANCES.

(a) **NO NET COST TO THE GOVERNMENT.**—The Secretary shall take such actions as may be necessary to ensure that minting and issuing coins under this Act will not result in any net cost to the United States Government.

(b) **PAYMENT FOR COINS.**—A coin shall not be issued under this Act unless the Secretary has received—

- (1) full payment for the coin;
- (2) security satisfactory to the Secretary to indemnify the United States for full payment; or
- (3) a guarantee of full payment satisfactory to the Secretary from a depository institution whose deposits are insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration Board.

By Mr. SMITH (for himself, Mr. BAYH, Mr. ALLEN, Mr. CRAPO, Mr. HAGEL, Mr. COLEMAN, Mr. BENNETT, Mr. HATCH, Mr. ENZI, Mr. THOMAS, and Mr. FITZGERALD):

S. 1380. A bill to distribute universal service support equitably throughout rural America, and for other purposes; to the Committee on Commerce, Science, and Transportation.

Mr. SMITH. Mr. President, today I rise in support of fairness for rural America and introduce the Rural Universal Service Equity Act of 2003.

Universal service is a decades old Federal program intended to keep telephone service available and affordable across America. The Federal Universal Service Program has been a tremendous success. America’s telephone network is the envy of the world. However, the program faces challenges, and it is imperfect.

The Rural Universal Service Equity Act addresses an inequity in the way Universal Service support is distributed to rural customers served by larger phone companies. Under the program, only eight States receive funding. Three of those States receive more than 80 percent of the funds and one State receives more than half of all dollars available under the program.

Yet many of the most rural States in America the very States the program was intended to assist—receive no funding at all. North Dakota, South Dakota, Idaho, Iowa, Utah, Kansas, Oklahoma, New Mexico, Nebraska and

other rural States receive no funding under this program.

My State of Oregon is an example of the unfairness of the program. Oregon has an average of 36 residents per square mile, according to U.S. Census Bureau data. Oregon has many rural and remote areas but does not receive any funding under this program for larger carriers. However, States with between 60 and 101 residents per square mile or more than twice the density of Oregon—receive 90 percent of the funding.

How could this happen? When the FCC created this program in 1999, it determined which States would be eligible for funding by comparing the average cost of providing telephone service per line in each State to a benchmark tied to the national average cost per line. If a State’s average cost of service per line exceeded the benchmark, that State would be eligible for funding. If the average cost was below the national benchmark, it would not be eligible.

This method is skewed, in part, because telephone service in a metropolitan area is less expensive to provide than service in a rural area. Customers in cities are closer to one another, and the same facilities can serve more people at a lower cost.

As a consequence, if you are served by a larger carrier and you live in a State with a city—no matter how rural an area, or no matter how far from the city you live—your State probably receives no support.

This problem is exacerbated because the FCC formula also doesn’t fully account for the actual cost of providing service in rural areas with natural obstacles such as mountains, lakes and rivers.

In short, the formula is flawed, and the result is unfair to millions in rural America: Three States that are not among the 15 least populated States—receive more than 80 percent of the fund.

The Rural Universal Service Equity Act of 2003 would make this program fair. The Act directs the FCC to replace the current state-wide average formula with a new formula that distributes funds to telephone company wire centers with the highest cost.

Wire centers are the telephone facilities where all of the telephone lines in a given area converge. And because funds would be directed to high-cost wire centers, as opposed to States with the highest average costs, rural residents would no longer be penalized if they lived in a State with a city hundreds of miles away.

The Act also: directs the FCC to develop rules to implement a program that is equitable among States; delegates to the FCC the determination of what an appropriate benchmark for what a high cost wire center should be; directs the FCC to not increase the size of the current program for high cost carriers; ensures a minimum level of support for States that currently receive funding under the program; and

requires GAO to study and report back to Congress on the need for comprehensive universal service reform.

Finally, I am concerned that the Universal Service Program has challenges beyond the inequities of the program for larger carriers. I look forward to participating in the broader debate on how to reform the Universal Service Program and ensure its long term viability and effectiveness. This bill will help further that debate.

However, broadly reforming the Universal Service Program is complex and divisive. It may take years. And I do not believe the inequities of the program for larger carriers should be allowed to continue while Congress grapples with the broader issues. Millions of rural Americans are being disserved, and we can solve this one problem today.

I urge my colleagues to join me and support the Rural Universal Service Equity Act of 2003. I ask unanimous consent that the text of the legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1380

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Rural Universal Service Equity Act of 2003".

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress makes the following findings:

(1) The Federal Communications Commission's high cost program for certain carriers provides no Federal support to 42 States.

(2) Federal universal service support should be calculated and targeted to small geographic regions within a State to provide greater assistance to the rural consumers most in need of support.

(3) Local telephone competition and emerging technologies are threatening the viability of Federal universal service support.

(b) PURPOSES.—The purposes of this Act are as follows:

(1) To begin consideration of universal service reform.

(2) To spread the benefits of the existing Federal high cost support mechanism more equitably across the nation.

SEC. 3. COMPTROLLER GENERAL REPORT ON NEED TO REFORM HIGH COST SUPPORT MECHANISM.

Not later than one year after the date of the enactment of this Act, the Comptroller General shall submit to Congress a report on the need to reform the high cost support mechanism for rural, insular, and high cost areas. As part of the report, the Comptroller General shall provide an overview and discuss whether—

(1) existing Federal and State high cost support mechanisms ensure rate comparability between urban and rural areas;

(2) the Federal Communications Commission and the States have taken the necessary steps to remove implicit support;

(3) the existing high cost support mechanism has affected the development of local competition in urban and rural areas; and

(4) amendments to section 254 of the Communications Act of 1934 (47 U.S.C. 254) are necessary to preserve and advance universal service.

SEC. 4. ELIGIBILITY FOR UNIVERSAL SERVICE SUPPORT FOR HIGH COST AREAS.

Section 254 of the Communications Act of 1934 (47 U.S.C. 254) is amended by adding at the end the following new subsection:

"(m) UNIVERSAL SERVICE SUPPORT FOR HIGH COST AREAS.—

"(1) CALCULATING SUPPORT.—In calculating Federal universal service support for eligible telecommunications carriers that serve rural, insular, and high cost areas, the Commission shall, subject to paragraphs (2) and (3), revise the Commission's support mechanism for high cost areas to provide support to each wire center in which the incumbent local exchange carrier's average cost per line for such wire center exceeds the national average cost per line by such amount as the Commission determines appropriate for the purpose of ensuring the equitable distribution of universal service support throughout the United States.

"(2) HOLD HARMLESS SUPPORT.—In implementing this subsection, the Commission shall ensure that no State receives less Federal support calculated under paragraph (1) than the State would have received, up to 10 percent of the total support distributed, under the Commission's support mechanism for high cost areas as in effect on the date of the enactment of this subsection.

"(3) LIMITATION ON TOTAL SUPPORT TO BE PROVIDED.—The total amount of support for all States, as calculated under paragraphs (1) and (2), shall be equivalent to the total support calculated under the Commission's support mechanism for high cost areas as in effect on the date of the enactment of this subsection.

"(4) CONSTRUCTION OF LIMITATION.—The limitation in paragraph (3) shall not be construed to preclude fluctuations in support on the basis of changes in the data used to make such calculations.

"(5) IMPLEMENTATION.—Not later than 180 days after the date of the enactment of this subsection, the Commission shall complete the actions (including prescribing or amending regulations) necessary to implement the requirements of this subsection.

"(6) DEFINITION.—In this subsection, the term 'Commission's support mechanism for high cost areas' means sections 54.309 and 54.311 of the Commission's regulations (47 CFR 54.309, 54.311), and regulations referred to in such sections."

SEC. 5. NO EFFECT ON RURAL TELEPHONE COMPANIES.

Nothing in this Act shall be construed to affect the support provided to an eligible telecommunications carrier under section 214(e) of the Communications Act of 1934 (47 U.S.C. 214(e)) that is a rural telephone company (as defined in section 3 of such Act (47 U.S.C. 153)).

By Ms. SNOWE (for herself, Mrs. LINCOLN, Mr. SMITH, Mr. BREAUX, Mr. MILLER, Mr. CHAMBLISS, Mr. PRYOR, Ms. COLLINS, Ms. LANDRIEU, Mr. SHELBY, and Mr. CRAIG):

S. 1381. A bill to amend the Internal Revenue Code of 1986 to modify certain provisions relating to the treatment of forestry activities; to the Committee on Finance.

Ms. SNOWE. Mr. President, I rise today to introduce the Reforestation Tax Act of 2003, and I am pleased to be joined by Senators LINCOLN, SMITH, BREAUX, MILLER, CHAMBLISS, PRYOR, COLLINS, LANDRIEU, SHELBY and CRAIG.

The U.S. forest products industry is essential to the health of the U.S.

economy. It employs approximately 1.5 million people, supports an annual payroll of \$40.8 billion, and ranks among the top ten manufacturing employers in 46 States. This includes the State of Maine where 89.2 percent of the land is forested. Without fair tax laws, future growth in the industry will occur overseas and more and more landowners will be forced to sell their land for some other higher economic value such as development. The loss of a health and strong forest products industry will have a long-term negative impact on both the economy and the environment.

The legislation I am introducing today partially restores the balance between corporate and private landowners in terms of capital gains tax treatment by reducing the capital gains paid on timber for individuals and corporations. The bill is also intended to encourage the reforestation of timberland, whether it has been harvested or previously cleared for other uses, such as agriculture.

Trees take a long time to grow, anywhere from 15 years to, more typically in Maine, 40 to 50 years. During these years, the grower faces huge risks from fire, pests, weather and inflation, all of which are uninsurable. This legislation helps to mitigate these risks by providing a sliding scale reduction in the amount of taxable gain based on the number of years the asset is held.

Specifically, the bill would change the way that capital gains are calculated for timber by taking the amount of the gain and subtracting three percent for each year the timber was held. The reduction would be capped at 50 percent bringing the effective capital gains tax rate to 7.5 percent for most non-corporate holdings and 17.5 percent for corporations.

Since 1944, the tax code has treated timber as a capital asset, making it eligible for the capital gains tax rate rather than the ordinary income tax rate. This recognized the long-term risk and inflationary gain in timber. Tax bill enacted in 1997 and in 2003 lowered the capital gains rate for individuals, but not for corporations. As a result, individuals face a maximum capital gains rate of 15 percent, while corporations face a maximum rate of 35 percent for the identical asset.

As this difference in rates implies, non-corporate timberland owners receive far more favorable capital gains tax treatment than corporate owners. In addition, pension funds and other tax-exempt entities are also investing in timberland, which only further highlights the disparity that companies face.

Secondly, reforestation expenses are currently taxed at a higher rate in the U.S. than in any other major competitor country. The U.S. domestic forest products industry is already struggling to survive intense competition from the Southern Hemisphere where labor and fiber costs are extremely low, and recent investments from wealthier nations who have built state of the art

pulp and papermaking facilities. While there is little Congress can do to change labor and fiber costs, Congress does have the ability to level the playing field when it comes to taxation.

This legislation encourages both individuals and companies to engage in increased reforestation by allowing all growers of timber to deduct all reforestation expenses in the year such costs are incurred. Currently, only the first \$10,000 of reforestation expenses is eligible for a ten percent tax credit and can be amortized over seven years.

Eligible reforestation expenses are the initial expenses to establish a new stand of trees, such as site preparation, the cost of the seedlings, the labor costs required to plant the seedlings and to care for the trees in the first few years, as well as the cost of equipment used in reforestation.

The planning of trees should be encouraged rather than discouraged by our tax system as trees provide a tremendous benefit to the environment, preventing soil erosion, cleansing streams and waterways, providing habitat for numerous species, and absorbing carbon dioxide from the atmosphere.

Tax incentives for planting on private lands will also decrease pressure to obtain timber from ecologically sensitive public lands, allowing these public lands to be protected.

Finally, the bill would notify the passive loss rules for small, closely-held landowners to allow them to deduct normal operating expenses pertaining to management of their timber lands.

I ask my colleagues for their support for private landowners and for the U.S. forest products industry that is so important to the health of the our economy.

By Mr. ALLARD:

S. 1384. A bill to amend title 23, United States Code, to provide State and local authorities a means by which to eliminate congestion on the Interstate System; to the Committee on Environment and Public Works.

Mr. ALLARD. Mr. President, as the month of August nears and the remaining summer days dwindle, many Americans are turning their attention to the highway as they plan family vacations and road trips, setting their sights on destinations that may be close to home or several States away. As they plot their travel plans, they must take into account several road-related factors, including, what route to take, which highway to use and how long it will take to get to their. Road safety, highway quality and congestion will undoubtedly be major considerations that will enter this equation.

In addition to personal mobility, roads also serve as the backbone of the national economy. Our economic success depends on a sound transportation system that efficiently carries goods to and from the marketplace. We must work diligently throughout the upcoming highway re-authorization to pro-

vide a policy framework that facilitates access to both markets for goods and places for people.

It is for these reasons, among others, that I rise today to introduce the Freeing Alternatives to Speedy Transportation Act, or for short, the FAST Act—legislation that will ease and alleviate traffic congestion, increase highway capacity, decrease pollution and improve the quality of life for millions of Americans. The legislation has already been introduced in the House of Representatives by Congressman KENNEDY of Minnesota. His bi-partisan version of the bill has gained strong support and momentum, and I thank him for his leadership on transportation matters.

It is easy to say how important our roads are to our success. But the question that has everyone stumped is how to pay for it all. We must look to creative policies that place the State in the drivers seat toward ending the transportation funding dilemma—policies that capitalize on user choice and private financing. The FAST Act provides just that—flexibility and innovation to move forward with important Interstate highway expansion projects—projects that would not be possible without the FAST Act—to ease congestion and alleviate the strain on our roads.

The FAST Act removes the obstacles that prevent States from collecting user fees on Interstate highway expansion projects. It allows a State to create an authority that collects user fees to finance expansion lanes on Interstates, while building in several protective measures that boost consumer confidence and protection. The fees are collected only on the expansion lane—the existing lanes remain open and free of charge. Fees can be used only for the construction of the FAST lane and accompanying structures—the money cannot be diverted to other accounts or projects. It allows the State to collect, as part of the fee, a maintenance reserve for that lane, and guarantees that the fee will be removed once the project is paid off. In other words, the fee pays for the project, ends, and the FAST lane then becomes available to everyone free of the fee. While I realize this bill is but one avenue in bridging our highway policy needs, the options it opens through user-choice and dedicated funding will promote sound State planning and decision making.

The FAST Act has the support of the Colorado Department of Transportation, think tanks, State governments and many others who hope to find new ways to expend highways. Tom Norton, Executive Director of the Colorado Department of Transportation, wrote in support of the FAST Act, "With nationwide transportation needs continually increasing, Federal Government, as well as the States, must seek new funding sources to keep up with this demand. This needed legislation provides States the ability to explore a new source in order to fund highway

expansion." In addition to the backing the legislation has received from the Colorado Department of Transportation, both the Minnesota and Washington DOTs support the bill as well.

Earlier this week, the Joint Economic Committee released a white paper, noting "roads are deteriorating while congestion worsens every year." The paper highlights the FAST Act as a new funding mechanism for highways, noting that many economists believe that the new authorization bill should grant the states more flexibility in raising money for funding transportation projects. It concludes by stating that the FAST Act is a modest measure that can help bridge the financing chasm.

Numerous organizations and associations across the country have either endorsed the FAST Act or have strong and positive interest in the legislation. These groups include: Americans for Tax Reform, American Highway Users Alliance, Associated General Contractors of America, National Taxpayers Union, Association for Commuter Transportation, and the American Association of State and Highway Transportation Officials.

As the population of the United States continues to surge and miles traveled by automobiles increase every year, transportation planners must find new and innovative ways to expand highway congestion. With today's budget crisis, this task becomes even more formidable as States look for new ways to stretch every dollar. The FAST Act give States one more tool in their battle against congestion. It creates a new source of revenue through user choice. It give them flexibility in managing construction and maintenance, encourages public-private partnerships and speeds traffic through a series of electronic gateways instead of creating logjams at toll booths. It is one more tool in the toolbox of innovative finance options that will lead to a more efficient, safer highway system.

I ask unanimous consent that supporting documents and the text of the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATE OF COLORADO,
DEPARTMENT OF TRANSPORTATION,
Denver, CO, April 25, 2003.

Hon. WAYNE ALLARD,
U.S. Senate, Dirksen Senate Office Building,
Washington, DC.

DEAR SENATOR ALLARD: We are writing in support of "Fast Act" H.R. 1767, the fast fees legislation introduced in the House earlier this month by Representatives Mark Kennedy and Adam Smith. We understand that you are considering sponsoring this legislation in the Senate and support your interest in this legislation.

This proposed bill is consistent with legislation that was enacted last year by the Colorado State Legislature. Our state law allowed us to create the Colorado Tolling Enterprise, which enables the state to collect fees for new capacity on state highways. H.R. 1767 would expand our opportunity to create new capacity on interstate highways as well.

The philosophy of H.R. 1767 is consistent with our state law in creating new ways of increasing highway capacity.

With nationwide transportation needs continually increasing, federal government, as well as the states must seek new funding sources to keep up with these demands. This needed legislation provides states the ability to explore a new source in order to fund highway projects.

As you work to reauthorize TEA-21, we encourage you to support legislation that provides greater flexibility to the states as we all seek to improve our highways and meet the needs of a growing state.

Sincerely,

TOM NORTON,
Executive Director,
CDOT.
MARGARET "PEGGY"
CATLIN,
Executive Director,
Colorado Tolling Enterprise.

JOINT ECONOMIC COMMITTEE, (CHAIRMAN ROBERT F. BENNETT—ECONOMIC POLICY RESEARCH, JULY 7, 2003)

NEW POSSIBILITIES FOR FINANCING ROADS

It is an unfortunate fact of life that our roads are deteriorating while congestion worsens every year. Fixing our roads will not be easy; billions of dollars will be needed to stave off further declines, and there is little appetite in Congress to raise federal taxes on gasoline. The table below shows that current spending proposals for highways and mass transit for the next six years far outstrip the \$218 billion spent on roads and mass transit over the previous six years. The overarching question is how will the federal government fund a significant increase in surface transportation expenditures without raising gasoline taxes.

	Package size (billions \$)	Gas tax increase
House Infrastructure and Transportation.	375	Yes, by indexing tax retroactively to 1993 and for subsequent years to inflation.
Congressional 2004 Budget Resolution.	280	No.
Senate Environment and Public Works.	311	?
Administration	247	No.

Source: Congressional Research Service, H. Con. Res. 95.

A NEW FUNDING MECHANISM FOR HIGHWAYS

There are other ways to fund transportation spending increases that should be explored. For instance, many economists believe a new transportation authorization bill should grant the states more flexibility in raising money for funding transportation projects. To that end, Reps. Mark Kennedy (R-MN) and Adam Smith (D-WA) have proposed the Freeing Alternatives for Speedy Transportation (FAST) Act (H.R. 1767). The bill would remove the current prohibition on tolls for federal highways, as well as ensure that states wouldn't be penalized for coming up with innovative ways to fund transportation construction. While toll lanes alone cannot make up the projected shortfall between the various spending proposals and revenues that will be generated by the gas tax, the judicious use of tolls would raise significant revenue.

EFFICIENT TOLLS CAN REDUCE CONGESTION

Ideally, the toll charge would vary based on the current congestion level on the road—the more cars on the road, the higher the price of the toll lane. As the toll increases, drivers will change their behavior; when the toll is relatively high people will use car pools, take mass transit, or postpone unnecessary trips. In high-traffic corridors the

market can pay the bulk of the cost of constructing and maintaining the road.

Since roads are not continuously congested, variable tolls reduce traffic and spread it out more evenly over the course of the day. In essence, properly managed fares can reduce the level of lane expansion necessary by maximizing the efficiency of the current infrastructure. The idea of variable pricing for toll lanes is the same principle that dictates lower ticket prices for movie matinees and discounts for "early bird" dining specials at restaurants: price differentials over the course of a day can alleviate crowds.

Regardless of the degree of success, innovative congestion pricing would not come close to alleviating the need for new roads. Most large cities desperately need new and improved highways to deal with the immense increases in traffic that have occurred in recent years.

TOLLBOOTHS ARE PASSÉ

When most people think of tolls they associate it with long queues of cars waiting to pay 50¢ to cross a bridge, thereby increasing congestion on roads. In reality, leaps in tolling technology have made cumbersome tollbooths unnecessary. Today, cars can use transponders to electronically pay tolls without stopping the flow of traffic. Transponders are inexpensive and the tolling authority often provides them at no cost to drivers. Drivers can either receive a monthly bill or else pre-pay (anonymously, should they wish) for a certain number of trips.

Proposals, like the FAST Act, encourage states to take advantage of this innovative technology by allowing them to toll new lanes on the federal interstate provided that they use an electronic tolling system.

TOLLS ARE NOT THE SAME AS TAXES

Some politicians resist any legislation that might lead to an expansion of tolled lanes on the principle that tolls merely represent a new form of taxation. However, it is important to note that tolling is not just another name for a tax. When used on newly built lanes financed by toll revenues, tolls serve as a voluntary access charge for drivers who choose to use a lane that is less congested. In essence, when people use a toll lane they are buying time.

Dedicated toll lanes function much the same as FedEx and other next-day shipping companies. Someone wishing to send a package via U.S. mail can do so at an inexpensive price, but the delivery will take longer and the ultimate delivery date will be less predictable. However, someone who absolutely needs a package delivered overnight can guarantee an on-time delivery by paying extra and using FedEx.

Those who worry that states will exploit tolls to fund revenue shortfalls by gouging citizens should be heartened to know that the FAST Act specifically addresses this temptation in its legislation. The FAST Act requires that all revenues raised from tolls be dedicated only to the lanes where the tolls are collected. States are also constrained from charging unreasonably high access charges by the marketplace. Because tolls are added only on new lanes, drivers will always have a choice whether or not to pay the toll. If the toll is set at a price drivers are not willing to pay, the newly added lane will be underutilized, costing the state potential revenue and drawing the ire of its citizens.

TOLLING SUCCESS STORIES

Various permutations of congestion pricing have been in place since Singapore's Area Licensing Scheme was introduced in 1975. With electronic tolling, Singapore managed to reduce the number of single drivers and

better utilized its road capacity by distributing trips more evenly throughout the day.

Domestically, there have been several value pricing projects established under the Value Pricing Pilot program. Perhaps the most successful pilot project is the High Occupancy Toll (HOT) lanes on Interstate 15 in San Diego. The program allowed two lanes, previously reserved for carpools with at least two passengers, to provide access to all drivers willing to pay a toll to enter the lane. The toll was set at a level so as to ensure that traffic in the lanes traveled near the speed limit.

The project was immensely successful and led to several dramatic improvements in road performance. The number of people carpooling increased and rates of carpooling violations decreased. Drivers believed that the toll lanes were safer and more reliable. Revenues generated were high enough that an express bus was added to I-15, providing another alternative for commuters. An overwhelming 94 percent of transit riders, 92 percent of carpools, and over 70 percent of all commuters felt that congestion pricing was a "fair" system given that travelers choose to pay the charge. The managed lanes on I-15 have proven so successful that the San Diego Association of Governments plans to expand its value pricing system by replacing the two HOT lanes with four new HOT lanes.

Most recently, in February 2003 London introduced a congestion-pricing scheme that charges vehicles entering the central city. Though met with intense skepticism by political opponents, the pricing experiment has proven to be even more successful than its designers had anticipated. The average driving speed in London's central city has increased 37 percent and the total number of cars entering Central London has decreased by 20 percent.

FREEDOM FOR STATES

The FAST Act and similar proposals encourage greater utilization of toll lanes do not seek to mandate the wholesale use of tolls by states. However, states should have the option to use tolls to finance the reconstruction of new roads and should incur no penalty for doing so. In a federal system of government, states should be encouraged to pursue innovative methods for financing and providing essential services to the citizenry, and this is indeed what the FAST Act would achieve. Given the significant difference between proposed highway spending plans and projected gas tax revenues, the FAST Act is a modest measure that can help bridge the chasm.

FURTHER READING

Joint Economic Committee Hearing on Financing Our Nation's Roads—http://jec.senate.gov/hearings/hearings_may06.html.

Getting Unstuck: Three Big Ideas to Get America Moving Again, by Robert D. Atkinson—http://www.ppionline.org/documents/Transportation_1202.pdf.

Privatization Watch—The Surface Transportation Issue—<http://www.rppi.org/may03pw.pdf>.

JEC publications released in June: "Putting the U.S. Economy in Global Context," June 24, 2003. Compares economic growth—as measured by GDP—in the U.S. and other major economies.

"Prescription Drugs Are Only Reason Why Medicare Needs Reform," June 17, 2003. Explains why the program needs market-based reforms to become more financially viable and responsive to patients.

"Health Insurance Spending Growth—How Does Medicare Compare?" June 10, 2003. Compares cost growth rates of Medicare with various other insurers, such as the Federal Employee Health Benefits Program (FEHBP).

"Recent Economic Developments: Looking Ahead to Stronger Growth," June 3, 2003. Gives an overview of the U.S. economy, including a review of key economic data released in May.

Other recent JEC publications include:

"Medicare Beneficiaries' Links to Drug Coverage."

"A Primer on Deflation."

"Economics of the Debt Limit."

"Dividend Tax Relief and Capped Exclusions."

"How the Top Individual Income Tax Rate Affects Small Businesses."

S. 1384

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Freeing Alternatives for Speedy Transportation Act" or the "FAST Act".

SEC. 2. INTERSTATE SYSTEM.

(a) IN GENERAL.—Subchapter I of chapter 1 of title 23, United States Code, is amended by adding at the end the following:

"§ 165. FAST fees

"(a) ESTABLISHMENT.—The Secretary shall establish and implement an Interstate System FAST Lanes program under which the Secretary, notwithstanding sections 129 and 301, shall permit a State, or a public or private entity designated by a State, to collect fees to finance the expansion of a highway, for the purpose of reducing traffic congestion, by constructing 1 or more additional lanes (including bridge, support, and other structures necessary for that construction) on the Interstate System.

"(b) ELIGIBILITY.—To be eligible to participate in the program, a State shall submit to the Secretary for approval an application that contains—

"(1) an identification of the additional lanes (including any necessary bridge, support, and other structures) to be constructed on the Interstate System under the program;

"(2) in the case of 1 or more additional lanes that affect a metropolitan area, an assurance that the metropolitan planning organization established under section 134 for the area has been consulted during the planning process concerning the placement and amount of fees on the additional lanes; and

"(3) a facility management plan that includes—

"(A) a plan for implementing the imposition of fees on the additional lanes;

"(B) a schedule and finance plan for construction, operation, and maintenance of the additional lanes using revenues from fees (and, as necessary to supplement those revenues, revenues from other sources); and

"(C) a description of the public or private entities that will be responsible for implementation and administration of the program.

"(c) REQUIREMENTS.—The Secretary shall approve the application of a State for participation in the program after the Secretary determines that, in addition to meeting the requirements of subsection (b), the State has entered into an agreement with the Secretary that provides that—

"(1) fees collected from motorists using a FAST lane shall be collected only through the use of noncash electronic technology;

"(2) all revenues from fees received from operation of FAST lanes shall be used only for—

"(A) debt service relating to the investment in FAST lanes;

"(B) reasonable return on investment of any private entity financing the project, as determined by the State;

"(C) any costs necessary for the improvement, and proper operation and maintenance (including reconstruction, resurfacing, restoration, and rehabilitation), of FAST lanes and existing lanes, if the improvement—

"(i) is necessary to integrate existing lanes with the FAST lanes;

"(ii) is necessary for the construction of an interchange (including an on- or off-ramp) from the FAST lane to connect the FAST lane to—

"(I) an existing FAST lane;

"(II) the Interstate System; or

"(III) a highway; and

"(iii) is carried out before the date on which fees for use of FAST lanes cease to be collected in accordance with paragraph (6); or

"(D) the establishment by the State of a reserve account to be used only for long-term maintenance and operation of the FAST lanes;

"(3) fees may be collected only on and for the use of FAST lanes, and may not be collected on or for the use of existing lanes;

"(4) use of FAST lanes shall be voluntary;

"(5) revenues from fees received from operation of FAST lanes may not be used for any other project (except for establishment of a reserve account described in paragraph (2)(D) or as otherwise provided in this section);

"(6) on completion of the project, and on completion of the use of fees to satisfy the requirements for use of revenue described in paragraph (2), no additional fees shall be collected; and

"(7)(A) to ensure compliance with paragraphs (1) through (5), annual audits shall be conducted for each year during which fees are collected on FAST lanes; and

"(B) the results of each audit shall be submitted to the Secretary.

"(d) APPORTIONMENT.—

"(1) IN GENERAL.—Revenues collected from FAST lanes shall not be taken into account in determining the apportionments and allocations that any State or transportation district within a State shall be entitled to receive under or in accordance with this chapter.

"(2) NO EFFECT ON STATE EXPENDITURE OF FUNDS.—Nothing in this section affects the expenditure by any State of funds apportioned under this chapter."

(b) CONFORMING AMENDMENT.—

(1) The analysis for subchapter I of chapter 1 of title 23, United States Code, is amended by inserting after the item relating to section 164 the following:

"165. FAST fees."

(2) Section 301 of title 23, United States Code, is amended by inserting after "tunnels," the following: "and except as provided in section 165."

SEC. 3. TOLL FEASIBILITY.

Section 106 of title 23, United States Code, is amended by adding at the end the following:

"(i) TOLL FEASIBILITY.—The Secretary shall select and conduct a study on a project under this title that is intended to increase capacity, and that has an estimated total cost of at least \$50,000,000, to determine whether—

"(1) a toll facility for the project is feasible; and

"(2) privatizing the construction, operation, and maintenance of the toll facility is financially advisable (while retaining legal and administrative control of the portion of the applicable Interstate route)."

AMENDMENTS SUBMITTED AND PROPOSED

SA 1136. Mr. LUGAR proposed an amendment to the bill S. 925, to authorize appro-

priations for the Department of State and international broadcasting activities for fiscal year 2004 and for the Peace Corps for fiscal years 2004 through 2007, and for other purposes.

SA 1137. Mr. SANTORUM submitted an amendment intended to be proposed to amendment SA 1136 proposed by Mr. LUGAR to the bill S. 925, supra; which was ordered to lie on the table.

SA 1138. Mr. BROWNBACK proposed an amendment to amendment SA 1136 proposed by Mr. LUGAR to the bill S. 925, supra.

SA 1139. Mr. LUGAR (for himself and Mr. BIDEN) proposed an amendment to amendment SA 1136 proposed by Mr. LUGAR to the bill S. 925, supra.

SA 1140. Mr. BINGAMAN (for himself and Ms. COLLINS) submitted an amendment intended to be proposed by him to the bill S. 14, to enhance the energy security of the United States, and for other purposes; which was ordered to lie on the table.

SA 1141. Mrs. BOXER (for herself, Mr. CHAFEE, Ms. MIKULSKI, Mrs. MURRAY, Ms. SNOWE, Mr. BIDEN, Mrs. CLINTON, and Mr. LAUTENBERG) proposed an amendment to amendment SA 1136 proposed by Mr. LUGAR to the bill S. 925, to authorize appropriations for the Department of State and international broadcasting activities for fiscal year 2004 and for the Peace Corps for fiscal years 2004 through 2007, and for other purposes.

SA 1142. Mrs. CLINTON (for herself and Mr. SCHUMER) submitted an amendment intended to be proposed by her to the bill S. 925, supra; which was ordered to lie on the table.

SA 1143. Mr. COLEMAN submitted an amendment intended to be proposed by him to the bill S. 925, supra; which was ordered to lie on the table.

SA 1144. Mr. ALLEN (for himself, Mr. AL-EXANDER, Mr. GRAHAM, of South Carolina, and Mr. BIDEN) proposed an amendment to amendment SA 1136 proposed by Mr. LUGAR to the bill S. 925, supra.

SA 1145. Mr. BROWNBACK proposed an amendment to amendment SA 1136 proposed by Mr. LUGAR to the bill S. 925, supra.

SA 1146. Mr. SMITH (for himself, Mr. BIDEN, and Mr. DURBIN) submitted an amendment intended to be proposed by him to the bill S. 925, supra; which was ordered to lie on the table.

SA 1147. Mr. BROWNBACK (for himself, Mr. KENNEDY, Mr. LAUTENBERG, and Mr. BINGAMAN) submitted an amendment intended to be proposed to amendment SA 1136 proposed by Mr. LUGAR to the bill S. 925, supra; which was ordered to lie on the table.

SA 1148. Ms. MURKOWSKI (for herself and Ms. LANDRIEU) submitted an amendment intended to be proposed by her to the bill S. 925, supra; which was ordered to lie on the table.

SA 1149. Mr. VOINOVICH submitted an amendment intended to be proposed by him to the bill S. 925, supra; which was ordered to lie on the table.

TEXT OF AMENDMENTS

SA 1136. Mr. LUGAR proposed an amendment to the bill S. 925, to authorize appropriations for the Department of State and international broadcasting activities for fiscal year 2004 and for the Peace Corps for fiscal years 2004 through 2007, and for other purposes; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Foreign Affairs Act, Fiscal Year 2004".